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ABSTRACT

This speech discusses the social, cultural, and economic concerns of education. Focusing on the economic effects of education, the author points up the economic benefits of education from the viewpoints of (1) the benefits to individuals resulting from increased and improved education, (2) the benefits to businessmen, and (3) the benefits to the community resulting from increased and improved education. (JF)

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EDUCATION AS AN ECONOMIC INVESTMENT

by

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According to some recent figures every day of attendance in high school increases a student's life-time earnings by $218 over a person with an eighth grade education. Every day of attendance in college increases a student's life-time earnings by $329 over a person with a high school education. Now in case you missed the impact of these statements, let me repeat them. Every day of attendance in high school increases a student's life-time earnings by $218. Every day of attendance in college increases a student's life-time earnings by $329.

I am tempted to say that you who are parents, principals, teachers or counselors have an obligation to inform your children and students of this information, and that any rational person will immediately see the economic importance of large quantities of formal education. I could then sit down, visit with some of my friends that are in the audience, and make my way back to Oxford in a few minutes.

However, this is not what is expected of an out-of-town speaker, so like a good college professor, I will dig deeper, and come up dryer for the next few minutes.

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To talk about money and education is why we are all here this evening. The interrelations between the two are sometimes subtle, sometimes not. However, I have been asked to speak about "Education as an Economic Investment" and I would like to have us consider education and the economic well-being of the community from three points of view. The first two--the most important to me and to most educators--are "Education as a Social Imperative" and "Education as a Cultural Imperative." However, I will treat these fairly lightly today in order that I may quickly move on to the third, which is closely related to money: "Education as an Economic Imperative." It is on this third point that most educators are least prepared, and yet it is this concept that means the most to the layman, especially the hard-nosed businessman who is often in a startegic position to influence educational matters, not only in the local school district, but in the larger community as well.

1. Education as a Social Imperative

Rather slowly, but surely, even we educators have been forced to reach the conclusion that our present educational system is a stark failure with the rural poor; with the inner city; and with the black people, the American Indians, and other minority groups. An even darker cloud is on the horizon, and that is the growing realization among several segments of society that in large measure the whole educational system is obsolete. We have been so enthralled by our problems with the disadvantaged that we have failed to see our larger failure with all children and

people. It is, of course, urgent that we be concerned with our inner cities, our rural poverty, and about racial prejudice. But we are beginning to ask other questions. Why is it, that in the most schooled nation in history, our white affluent people tolerate slums and decadent rural poverty? Why is it that we white people generally fail to see what it means to be black or poor in America? Why do many of us steadfastly refuse to give equality and full citizenship to our minority groups? Why have we so little perception of injustice? Why have we so little compassion?

There can be no doubt of the seriousness of the present social crisis. We are in the early stages of a social revolution. Our black and poor citizens are no longer tolerating second-class status, slum living, inferior education, unemployment, unemployability, and general alienation. They have sought integration, only to be rebuffed so badly that many of them--especially the ethnic minorities--have given up on us and seek instead to develop a separate set of institutions. To discuss the implications of separatism would take too long. Suffice it to say here that we want one America and not two. Widespread violence with hard-line "law and order" police work without more justice can only lead finally to a police state, in which case the American Dream goes down the drain.

We in education are, by history and usual national mood, an optimistic profession. No group in our society has been more dedicated to the American Dream than the teachers. We have not only believed in the ultimate triumph of freedom and democracy, but we have tried to convince the American people that regardless

of the problems we face, education holds the solutions. This has been true from Jefferson through Horace Mann to John Dewey to John Gardner. Especially we have held that education is the escalator that moves people from lower-class poverty and misery to middle-class affluence and comfort. Now, within the short space of a decade, we discover that the escalator has stopped running for great masses of the poor. It has been extremely difficult for us as educators to face this reality. We just can not, or perhaps <u>will not</u> face our stark failure with the poor in our large cities and in the remote rural areas, for here we not only fail to provide cognitive learning, but we <u>damage</u> the children to the point where their rehabilitation is difficult, if not impossible. We have known about this failure now for years, but, generally speaking, we have done very little about it. In fact, sociologists, politicians, and lay civic leaders are in some instances way ahead of us in social perception as well as action. It is this slowness to perceive and act which disappoints educational leaders the most when a hard look is taken at the education profession.

Our total educational establishment is at fault--elementary schools, secondary schools, colleges, state department of education, and the United States Department of Health, Education, and Welfare. The establishment proceeds on assumptions that sooner or later defeat both children and their teachers. The first of these is that the child's cognitive learning is more important than the child--that this learning must take place on schedule,

that all first-graders must read no matter what the effort to teach them does to their personalities, to their self-concepts, that acquiring cognitive learning on schedule is so all-important that we make a desperate attempt to achieve it even if, in the words of Jonathan Kozol, it means "death at an early age." What we need is an educational program in which the child as a person is more important than his day-to-day cognitive learning--a school, a home, and a community which in close coordination help the child to respect himself more each passing day.

The second assumption is that we can do it all in the school. It is appalling, even frightening, to witness the efforts of the teaching profession--administrators and teachers alike--to avoid the parents and the community. Even when some of our better schools work with adult education, home visits, PTA, and so on, we often do little to improve the homes or the community and especially to help the people of the community to help themselves. Were we to do the latter we would have to take our chances on what the people would do and we fear we might not like their ideas. The struggles in New York City, Chicago, and Memphis over decentralization bear out the point being made here.

More and more, enlightened educators are coming to the conclusion that we do not really have an educational system. We have instead a scholastic establishment. It is the establishment that has first priority: our graded school with standards for each grade, not for each child; our marking system; our notion

that school is a kind of cafeteria where we set out the same educational food for all children and that this gives them all the same chance--it is this establishment-mindedness that defeats the children of the poor and leaves the children of the rich with no great sense of responsibility for others. We had better get a true educational system and get it in a hurry, before it is too late.

We can visualize this proposed system beginning with the four-year-olds as a part of an ungraded school. We will have no grades and no destructive marking system. Each child will be studied. So will his community, his home life. We will work with his parents. With us they will constitute a team which thinks first of the child's welfare, nto of the school or of a subject. Cognitive learning will be seen as important, but the child's self-concept will be considered more important. Constant effort will be made to send each child home every day liking himself better than when he came in the morning. Parents, students preparing to teach, and especially, employed paraprofessionals will provide much individual attention and relieve teachers of many duties so the teacher can spend more time in studying and counseling each child.

Teacher-pupil ratios will vary with the kind of community and the previous experience of the children. The ablest teachers will work with the children presenting the greatest learning difficulties. Such a teacher assignment, for example, to an inner-city school, or a particularly difficult rural area, will

be viewed as a special recognition of one's skill and professional competence.

All of which leads me to say that our present teacher education system, of which I am a part, is even more obsolete than our educational system itself. Present teacher education assumes that the teacher's knowledge is the prime factor in his success. We know this is not true. Teachers succeed more in terms of what they <u>are</u> than in terms of what they know. The teacher's attitude toward himself and toward other people conditions his behavior. Knowledge can be acquired on a college campus but the process of becoming is another challenge for which there is no easy answer. We would do better to have prospective teachers spend half of their four or five years of preparation actually at work with children in a community.

A quality educational program is a <u>social imperative</u> because with this quality we can help the white middle class to learn the compassion and social responsibility which will bring about the end to the poverty and the alienation of the ghetto and the rural impoverished areas. It is a <u>social imperative</u> because only a quality school gives the poor child a door to education and opportunity. It is a <u>social imperative</u> because without good education, American can not heal the divisions which now threaten our life as a free society. For us in education it is an <u>imperative</u> because it is the only way we can make good on the promise we have held before the American people for a century--namely, that through education mankind can become the master of its own destiny.

II. Education as a Cultural Imperative

Henry Steele Commager, noted historian, has summarized aptly our current educational-cultural dilemma as follows:

"1918 did not usher in the millenium, it ushered in a half century of conflict--turbulence, war, revolution, desolation, and ruin on a scale never before seen or even imagined. It was a half century that leveled more cities, ravaged more countries, subverted more societies, obliterated more of the past, endangered more of the future, cost more lives, and uncovered more savagery than any time since the barbarians swarmed over Western Europe. Ancient nations were overthrown, empires fragmented, principles of law subverted, and traditional standards of morality repudiated. The era which was to have seen the end of war ushered in instead the most terrible of wars which rose to a climacteric in the most terrible of weapons; the era which was to have seen the triumph of democracy saw instead the triumph of tyranny."

Any informed lay person or professional educator must view with some alarm the current status of our society. When he examines the possible alternatives to the resolution of the problems which confront your country and mine, the informed citizen is inevitably confronted with two possible alternative solutions. The first and most drastic alternative is to destroy the existing structure through which we have attempted to reach viable solutions in the past. This approach is based upon the assumption that the bureaucratic educational organizations created to resolve social problems, are, in fact, incapable of responding to the current needs of the society and must, therefore, be torn down and

replaced. Indeed, there is growing sentiment in this direction throughout the U.S. and Canada. Militant groups are increasingly more convincing in their argument that the resolution of our problems is not possible within the existing educational establishment. They argue that the educational establishment is not geared to deal with the rapid changes taking place within the culture. Further, they point out, the present educational organization is geared primarily to the academic preparation of the middle class and is not capable of devising educational programs appropriate to the education of lower-class youth and adults. It should be pointed out that such activist groups have not singled out the educational establishment as the only bureaucracy within the society considered to be incapable of responding to changing demands. Similar accusations are leveled at social and governmental agencies which attempt to minister to the needs of our people. However, since we are dealing primarily with the education context at this moment, suffice it to say there are growing numbers of citizens who see little hope for the resolution of social problems within the existing educational establishment.

In view of the urgency of the problems which we face, sucy a drastic approach as that offered by the militant groups might seem plausible except for one thing--such as approach leads inevitably to violence and chaos. Clearly, the research conducted at the Brandeis University Center for the Study of Violence indicates that those who become convinced that there is no hope for change within the existing system resort to violence in the

hope of destroying the system. While I do not wish to belabor the point, many concerned educators have moments of doubt regarding the ability of the educational establishment to change to meet current needs of the society. At times our educational leaders are inclined to believe that the militant forces in our society are right and that we are, indeed, closed to any reasonable modification of the existing system. At the very time when we should be opening up communication channels and involving students in the substantive issues in secondary education, educators over the country are becoming even more indicative--leaving students no choice but to revolt.

There is, I think, a second alternative which, if properly implemented, may offer greater promise. If, as is often quoted, the society is literally "falling apart at the seams," or as expressed in the play Green Pastures, "Everything that has been nailed down is coming loose," it is reasonable to assume that those who would rebuild the society must be equipped with some form of "social cement." This "social cement" may well be found in the implementation of a quality educational program for all children and youth in the country.

To develop a quality educational program requires the involvement of people of all ages, races, creeds and socioeconomic circumstances in the process of education and community improvement. The resolution of such problems as inequality of educational opportunity, conflict over the control of education, student unrest, and social alienation is not likely to be accomplished

without maximum involvement of all the community forces capable of contributing to the betterment of mankind. The traditional view of the school as an intellectual skill center can not be expected to produce solutions to the critical problems that we face in this century. To me, at least, a quality educational program for all children is a cultural imperative.

The lack of concern on the part of those in control for the critical social and economic problems within the society has created a bitter struggle to effect desegregation and alleviate the problems of the disadvantaged. Education must assume its share of the responsibility for our failures in these areas. Wr have continued to concentrate our practice and our research efforts upon the problem of getting information out to people in greater volume and with increased efficiency when we know that this is <u>not the prime problem in education</u>. Our problem in education is <u>not</u> how to get out more information; it is, rather, how to structure so that the information may have personal meaning for the learner. The electronic age has produced knowledge in such abundance that there is now infinitely more knowledge avilable outisde the school than within it. We are fighting a losing battle if we insist upon competing in the knowledge-producing race. Our unique contribution, it seems, is in the area of developing the means whereby knowledge may be used to the benefit of the learner and the improvement of the society. For example, our efforts to produce a learning environment in which the disadvantaged child may funtion effectively may well lead us to

develop new and better means to education for all our citizens.

A prime need in our society at this point in time may well be a quality education program which concentrates its efforts upon middle and upper-income groups--helping them better to understand and accept the lower classes in our society. Both John Dewey and James Coleman--the main author of the famous Coleman report of several years ago have stressed the idea that "Nothing is so unequal as the equal treatment of unequals." Given equal input of educational resources, children in rural poverty areas and urban ghettos learn less. An enlightened quality education program concentrates its efforts where the needs are, and I submit that at this point in time we have great need to educate the middle-class citizen regarding his obligation to those less fortunate than himself.

Leadership required in developing a quality education program for all children implies a somewhat different preparation program than that usually provided for the school administrator, not to mention counselors and classroom teachers. School personnel need to develop greater <u>human skills</u>, to work productively with lay people as well as professional educators in program development; greater <u>conceptual skills</u> in order to assess relationships among various organizations and groups and the ability to envision the total educational enterprise; and greater <u>technical skills</u> required to get constructive results from face-to-face encounters between individuals with diverse backgrounds and points of view.

Developing a quality educational program will be successful to the extent that it serves the unique needs of the particular local community. For this reason it is desirable that considerable effort be expended in the development of locally relevant programs and that the borrowing of ready-made program packages be minimized.

Strengthening the relationship between the school and community places even greater responsibility for leadership and direction upon boards of education and professional educators. Increased efforts to develop effective communication systems throughout the community; surveys of community needs and program development based upon those needs; expansion of the school's program to include all interest groups, all ages, and all socio-economic levels; the extension of the school day and the school year; and, above all, a concentrated effort to delineate clearly the specific role of each group in the determination of school policy, will be required if increased citizen involvement is to result in improved quality of educational output.

When those of us comfortably established in the educational establishment look out upon a world threatened by dissention and chaos, the temptation is great to withdraw into an institution insulated from many of the problems of mankind. But when we take the time to assess the urgency for reform throughout the society, we realize that if there is any hope for the future of mankind, it lies in a viable program of educational improvement. To this end a quality education program, with all that concept implies, becomes a cultural imperative.

III. Education As an Economic Imperative

Let's consider education as an economic imperative. In doing this, I would like to present three points of view: first, the economic benefits to individuals resulting from increased and improved education; second, the economic benefits to businessmen, and third to the citizens of the community resulting from increased and improved education.

A. Economic benefits to individuals resulting from increased and improved education

1. The life-time earnings of a high school graduate are about $371,094--over a third of a million dollars. This divides out to about $218 per day of high school over the person who only completes the eighth grade.

2. The life-time earnings of a college graduate are about $607,921, which divides out to be about $274 per day of high school and college attendance over the person who only completes the eighth grade.

3. The higher the level of education, the broader the range of job opportunities the student has to choose from. As you well know, the job opportunities are changing considerably. The number of jobs in the professional and technical fields is increasing very rapidly--a 40 percent increase occurred between 1960 and 1970. The number of jobs in the clerical and sales occupations, in proprietary and managerial categories, in skilled labor, and in the service occupations increased almost 25 percent between 1960 and 1970. The number of jobs in the semi-skilled category showed less increase--about 17 percent during the past

decade, and the number of unskilled jobs remained constant. The number of farm workers actually showed a decline of about 17 percent during the period between censuses. In short, there is a shift of the job market away from manual work to the white-collar fields--all of which require greater levels of preparation.

4. There are now--and will be in the future--major opportunities in new fields that didn't exist five-ten years ago--cyrogenics, biomics, microelectronics, ultrasonics, and computer technology, to name a few.

5. The entrance to higher education is competitive and probably will become increasingly so as colleges and universities are unable to keep up with demands for enrollment. Thus a good secondary education is necessary to get into college--and to remain there--in most instances.

6. Even if the person enters the labor force immediately after high school, he will probably have to be retrained three-five times during his career, for which training a good secondary education is essential. We have a great need to provide kids before they enter the labor force with an education that will make them trainable and employable in occupations where the demand for labor is rising and where their productivity will be highest.

7. Education provides the student with a hedge against unemployment. Among white males, only one percent of the college graduates are unemployed. Among white females, only two percent of the college graduates are unemployed. Figures are higher for non-white persons, reflecting the inferiority of the quality of

education they often receive and the discrimination that still exists in the lbaor market. A dropout--whether during high school or between high school and college--has a 50 percent better chance of being unemployed than does his more educated peer in the same community.

8. Persons with higher levels of education are more likely to own their own homes and the home will tend to be of higher value. The same principle holds for most major purchases, including cars, appliances, and so on.

9. Along with more schooling comes a sense of job security. The well-educated person has the capacity to make long-range plans, and a willingness to undertake major contractual commitments.

10. The well-educated person is likely to have a happier and more satisfying family life. The children o college educated parents do better in school than do others. The children of college educated parents are more likely to go on to college themselves than are others even where the effects of income are held constant. The more education a person has promotes family welfare by offering parents more prestige and opportunities for interesting employment; more job satisfaction; creation of new interests and capacity to do more than drink beer and watch the tube; and greater comprehension of people, events, and culture.

B. <u>Economic benefits to businessmen resulting from increased and improved education</u>

1. Educational expenditures increase the size of the

market to which business firms sell, and this education results in bigger sales receipts for business firms. This is obviously true for the nation or the states individually, but it may also be seen even in east Mississippi towns in the number and types of retail firms. In a community with a high proportion of college-educated people you will find many more outlets for major appliances, car agencies, music stores, dry goods, specialty shops and so on, whereas in east Mississippi communities with a low proportion of college graduates, you will find mainly grocery stores, filling stations, hardware stores, and department stores. Research tells us that in the nation that on a whole expenditures for education alone accounted to an increase in markets for good and services of over $62 billion in a recent 15-year period.

2. For manufacturing industries, including those often found in east Mississippi--furniture manufacturing, clothing factories, wood products concerns, meat processing, etc.--higher educational expenditures serve to reduce production costs. For example, it is more expensive to import technical and managerial personnel than it is to use local people of similar competency, if they are available. It is more expensive to train local semi-skilled and unskilled labor if they have low educational backgrounds than if they have good elementary and secondary training.

3. The major item of most industry's expenditures is in the payroll. Thus, whereas previously industries located at the optimum juncture of raw materials, transportation, and markets,

they now tend to locate where the desired labor supply is. Even with tremendous increases in costs of raw materials and transportation, the cost and availability of labor has made industries go where the labor is, and haul in and out--thousands of miles, if necessary--the raw materials and produced goods. The multi-billion dollar Tennessee-Tombigbee River development project has been labeled "pork barrel" and may well prove to be so unless the schools of east Mississippi and west Alabama begin to produce a labor market that will attract heavy industry.

4. The businessman is well aware that the wealth of the country is shifting in source. During the nineteenth century, most of the wealth of the country was in land, and the best measure of a man's wealth was how much land he owned. We set up our local tax structure under these conditions. But the wealth of the country is no longer in land. During this century, income from wages has increased from 55 percent of all income to 70 percent of all income, while income from propietary functions has decreased from 24 percent to 12 percent, and property income has decreased from about 21 percent to about 12 percent of all income. Thus it is crucial to the businessman to get the most for his money from the wages he pays in his business, which usually means increasing the productivity per worker. The best single way to get a worker who is productive or who can be made productive is to hire one with a good, solid education.

6. <u>Economic benefits to the citizens of the community resulting from increased and improved education</u>

Eventy citizen of Mississippi, from those living 15 miles

out from Houlka to the residents of the most exclusive sections of Jackson, benefits from the scientific advances that have come about as a result of better education in recent years.

This is particularly true of medicine--infantile paralysis, pneumonia, diphtheria, and meningitis are no longer serious threats. However, the best-equipped medical schools and the laboratories of the top pharmaceutical houses are of little use without well-qualified, creative individuals to work in them. Fortunately, somebody's schools are preparing the people to do this sort of work; little of it is coming from the products of the schools of eastern Mississippi. You could easily justify doubling the per pupil expenditures of every school in east Mississippi for 20 years, if you had some assurance that some graduate work would find a cure for cancer or the common cold.

In agriculture, research has increased yields of hybrid corn 700 percent in a few decades, and substantial amounts in such other areas as cotton, soybeans, cattle, and pine trees. Chemical research has provided us with better gasoline and better fishing rods, and electrical research has brought us television and transitor radios, to mention just a few areas of recent scientific advancement.

2. Citizens pay taxes for schools--often in substantial amounts, but it is not inconceivable that if we put more tax money into schools, the total tax bill for present governmental services might go down. In Mississippi, there are no high school graduates on welfare, I am told, and few high school graduates are in prisons or mental institutions. If we increased expenditures

for education, it should be obvious that many of these state and local expenditures would decrease, at least proportionately. If schools over the country increased expenditures for education such that we did more and a better job of teaching the social sciences, including international relations and interpersonal relationships; foreign languages; and the humanities, and at the same time increased our national support of such programs as the Peace Corps, the Alliance for Progress, cultural exchange programs, and technical assistance to underdeveloped countries, our defense budget could be cut to a fraction of the multi-billion dollar mess that it is now, resulting in either reduced taxes, or increased governmental services to domestic problems, or both.

Inferior schools turn out individuals prone to unemployment, marital irresponsibility, and delinquency, and the reverse is true as well. It should come as no surprise to see the efforts that insurance companies are making to get driver education incorporated into all schools, because the better educated person, especially if he has had a course in driver education, is less likely to have an accident, or if he has one it is likely to be less costly. If or when we get to the point where most drivers are competent, we shall see the relative number of accidents go down, insurance rates go down, and police traffic services reduced, even if we don't get Highway 45 four-laned.

As a good example of the sort of reallocation of expenditures that I am speaking of, a few years ago California went on a crash program to rehabilitate a number of unemployed in that

state. For the investment of a few million for a few months, they put 5,700 people back on jobs that earned these individuals over $16 million per year, and at the same time they cut unemployment payments by $1 million and aid-to-dependent-children by $1 million. The investment to the state has repaid itself many times over already.

Elsewhere it has been found that the typical handicapped person earns five times as much the first full year after his rehabilitation as he earned the year before, repaying over a period of a few years $7 in federal income tax for every $1 spent on his rehabilitation.

A Massachusetts survey recently revealed that a $50 per pupil increase in local taxation for schools was associated with an increase of $5,200 in the average market value of homes in the school district. I fail to see why it isn't obvious that education doesn't cost--it pays.

4. In many communities in east Mississippi, the largest payroll in town is the local public school. Many local civic groups bustle about both in the state and out looking for industry when their best growth potential is already right in their midst. Five thousand dollars worth of professional staff time will often provide a half-million dollars a year federal project or an extensive vocational program for a local school. Providing the children with one additional teacher, including a classroom and the necessary materials, may well release an additional $10,000 a year into a community at a direct cost to

the local taxpayers of only half that much. Each new dollar brought into most communities will recirculate five times before it leaves, in effect repaying the community ten times its investment. A while back, one Mississippi school district announced its intention to discontinue its Title I project and release, in the middle of the year, 80 employees. This community was willing to forego the immediate economic benefits of $260,000 per year and the effect of over a million dollars per year circulating in the community simply to avoid having a few more Negro children attend classes with white children. To me this is clearly a case of cutting off your nose to spite your face.

5. If I were on a school board or a superintendent in Mississippi and because I hold this view is one of the reasons I'm <u>not</u> a superintendent in Mississippi, the first thing I would do is arrange to consolidate my school district with some other one or ones, because study after study has showed that three-fourths of the Mississippi districts can <u>not</u> be justified on economic grounds.

If I were a superintendent in Mississippi the second thing I would do would be to hire at least three or four good men, full-time--if necessary, pulling them out of the classroom and cutting the instructional program--to go after outside money--from foundations and the well over one hundred federal programs that schools in other parts of the country are receiving. The $50 000 or so that it would cost per year to go after this money would, within a year, begin to be repaid many-fold in terms of the federal and foundation grants that would come rolling in. Mississippi already

gets massive transfusions of federal money--second only to Alaska in terms of the proportion of total school budgets--and many millions more are available for the asking. These millions are available not only from sugar daddy on the Potomac, but from other sources as well. Private foundations give away over $700 million a year, largely to educational enterprizes, but hardly a nickle is spent in east Mississippi from these sources mainly because nobody asks for it. Don't knock federal aid: it's often a nuisance, but it's the greatest thing that ever happened to the poor states. Mississippi gets back from Washington about three times the amount of money that its residents pay in federal taxes, and there's more available for the asking. You can't beat that for a bargain.

Conclusion

To wrap this up, I'd like to focus for a moment on the finance of higher education. Providing funds for a student to attend college is not the most efficient way to cure our educational ills. Rather, the same amount of money spent on education of children three, four, and five years old would produce many times the long-range results.

Nevertheless, funds are available to help students go to college, and they should be taken advantage of to the fullest. Tuition, fees, board and room at private colleges over the country have gone up 74 percent in the past fifteen years, and tuition, fees, board and room at public colleges have gone up over 50 percent in the same period of time. There is every likelihood

that they will go up more, especially in this state. Mississippi public institutions of higher learning are now spending well over $800 per student per year for salaries, buildings, libraries, etc. This is below the average for this part of the country and far below the national average. Even if it is argued that we in the South get more for our money, there is still some questions about the quality of our instructional program. In a sense, we are like children who "play house"--we are "playing school"; going through the form without much substance. To make substantial improvements in higher education will cost big money. And the Mississippi legislature, which seems hell-bent to create an institution of higher learning at every crossroads, doesn't have much more to give; they are not printing money in the basement of the Capitol. Thus, much of the money for improvements will have to come out of the pockets of the students and their parents.

Fortunately, student loans have multiplied about thirty times in the last decade, and it is quite possible for an enterprizing student to go to college with no family assistance. Today one person out of four in the age group graduates from college, one out of eight gets a master's, and one out of 100 gets a doctor's. The proportion of people getting college degrees today is about the same as those receiving high school diplomas in 1930. Many of these people need outside financial assistance in order to get to the point where they may make their most significant contribution to the economy.

At the present time in this country we are spending almost $60 billion per year on the direct costs of education, and another

$30 billion per year in indirect costs such as the foregone earnings of students in school. The annual rate of return to the economy of a college education is 13 percent, and even allowing for differences in the natural ability of the students, it still exceeds 10 percent per year.

There isn't a better investment anywhere than the investment in people for education.

Thank you.